

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Municipal Code is amended by  
5 changing Sections 8-11-1.3, 8-11-1.4, and 8-11-1.5 as follows:

6 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

7 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'  
8 Occupation Tax Act. The corporate authorities of a non-home  
9 rule municipality may impose a tax upon all persons engaged in  
10 the business of selling tangible personal property, other than  
11 on an item of tangible personal property which is titled and  
12 registered by an agency of this State's Government, at retail  
13 in the municipality for expenditure on public infrastructure or  
14 for property tax relief or both as defined in Section 8-11-1.2  
15 if approved by referendum as provided in Section 8-11-1.1, of  
16 the gross receipts from such sales made in the course of such  
17 business. If the tax is approved by referendum on or after July  
18 14, 2010 (the effective date of Public Act 96-1057), the  
19 corporate authorities of a non-home rule municipality may,  
20 until December 31, 2020 ~~December 31, 2015~~, use the proceeds of  
21 the tax for expenditure on municipal operations, in addition to  
22 or in lieu of any expenditure on public infrastructure or for  
23 property tax relief. The tax imposed may not be more than 1%

1 and may be imposed only in 1/4% increments. The tax may not be  
2 imposed on the sale of food for human consumption that is to be  
3 consumed off the premises where it is sold (other than  
4 alcoholic beverages, soft drinks, and food that has been  
5 prepared for immediate consumption) and prescription and  
6 nonprescription medicines, drugs, medical appliances, and  
7 insulin, urine testing materials, syringes, and needles used by  
8 diabetics. The tax imposed by a municipality pursuant to this  
9 Section and all civil penalties that may be assessed as an  
10 incident thereof shall be collected and enforced by the State  
11 Department of Revenue. The certificate of registration which is  
12 issued by the Department to a retailer under the Retailers'  
13 Occupation Tax Act shall permit such retailer to engage in a  
14 business which is taxable under any ordinance or resolution  
15 enacted pursuant to this Section without registering  
16 separately with the Department under such ordinance or  
17 resolution or under this Section. The Department shall have  
18 full power to administer and enforce this Section; to collect  
19 all taxes and penalties due hereunder; to dispose of taxes and  
20 penalties so collected in the manner hereinafter provided, and  
21 to determine all rights to credit memoranda, arising on account  
22 of the erroneous payment of tax or penalty hereunder. In the  
23 administration of, and compliance with, this Section, the  
24 Department and persons who are subject to this Section shall  
25 have the same rights, remedies, privileges, immunities, powers  
26 and duties, and be subject to the same conditions,

1 restrictions, limitations, penalties and definitions of terms,  
2 and employ the same modes of procedure, as are prescribed in  
3 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in  
4 respect to all provisions therein other than the State rate of  
5 tax), 2c, 3 (except as to the disposition of taxes and  
6 penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,  
7 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13 of the  
8 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
9 Penalty and Interest Act as fully as if those provisions were  
10 set forth herein.

11 No municipality may impose a tax under this Section unless  
12 the municipality also imposes a tax at the same rate under  
13 Section 8-11-1.4 of this Code.

14 Persons subject to any tax imposed pursuant to the  
15 authority granted in this Section may reimburse themselves for  
16 their seller's tax liability hereunder by separately stating  
17 such tax as an additional charge, which charge may be stated in  
18 combination, in a single amount, with State tax which sellers  
19 are required to collect under the Use Tax Act, pursuant to such  
20 bracket schedules as the Department may prescribe.

21 Whenever the Department determines that a refund should be  
22 made under this Section to a claimant instead of issuing a  
23 credit memorandum, the Department shall notify the State  
24 Comptroller, who shall cause the order to be drawn for the  
25 amount specified, and to the person named, in such notification  
26 from the Department. Such refund shall be paid by the State

1 Treasurer out of the non-home rule municipal retailers'  
2 occupation tax fund.

3 The Department shall forthwith pay over to the State  
4 Treasurer, ex officio, as trustee, all taxes and penalties  
5 collected hereunder.

6 As soon as possible after the first day of each month,  
7 beginning January 1, 2011, upon certification of the Department  
8 of Revenue, the Comptroller shall order transferred, and the  
9 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
10 local sales tax increment, as defined in the Innovation  
11 Development and Economy Act, collected under this Section  
12 during the second preceding calendar month for sales within a  
13 STAR bond district.

14 After the monthly transfer to the STAR Bonds Revenue Fund,  
15 on or before the 25th day of each calendar month, the  
16 Department shall prepare and certify to the Comptroller the  
17 disbursement of stated sums of money to named municipalities,  
18 the municipalities to be those from which retailers have paid  
19 taxes or penalties hereunder to the Department during the  
20 second preceding calendar month. The amount to be paid to each  
21 municipality shall be the amount (not including credit  
22 memoranda) collected hereunder during the second preceding  
23 calendar month by the Department plus an amount the Department  
24 determines is necessary to offset any amounts which were  
25 erroneously paid to a different taxing body, and not including  
26 an amount equal to the amount of refunds made during the second

1 preceding calendar month by the Department on behalf of such  
2 municipality, and not including any amount which the Department  
3 determines is necessary to offset any amounts which were  
4 payable to a different taxing body but were erroneously paid to  
5 the municipality, and not including any amounts that are  
6 transferred to the STAR Bonds Revenue Fund. Within 10 days  
7 after receipt, by the Comptroller, of the disbursement  
8 certification to the municipalities, provided for in this  
9 Section to be given to the Comptroller by the Department, the  
10 Comptroller shall cause the orders to be drawn for the  
11 respective amounts in accordance with the directions contained  
12 in such certification.

13 For the purpose of determining the local governmental unit  
14 whose tax is applicable, a retail sale, by a producer of coal  
15 or other mineral mined in Illinois, is a sale at retail at the  
16 place where the coal or other mineral mined in Illinois is  
17 extracted from the earth. This paragraph does not apply to coal  
18 or other mineral when it is delivered or shipped by the seller  
19 to the purchaser at a point outside Illinois so that the sale  
20 is exempt under the Federal Constitution as a sale in  
21 interstate or foreign commerce.

22 Nothing in this Section shall be construed to authorize a  
23 municipality to impose a tax upon the privilege of engaging in  
24 any business which under the constitution of the United States  
25 may not be made the subject of taxation by this State.

26 When certifying the amount of a monthly disbursement to a

1 municipality under this Section, the Department shall increase  
2 or decrease such amount by an amount necessary to offset any  
3 misallocation of previous disbursements. The offset amount  
4 shall be the amount erroneously disbursed within the previous 6  
5 months from the time a misallocation is discovered.

6 The Department of Revenue shall implement this amendatory  
7 Act of the 91st General Assembly so as to collect the tax on  
8 and after January 1, 2002.

9 As used in this Section, "municipal" and "municipality"  
10 means a city, village or incorporated town, including an  
11 incorporated town which has superseded a civil township.

12 This Section shall be known and may be cited as the  
13 "Non-Home Rule Municipal Retailers' Occupation Tax Act".

14 (Source: P.A. 96-939, eff. 6-24-10; 96-1057, eff. 7-14-10;  
15 97-333, eff. 8-12-11.)

16 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

17 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation  
18 Tax Act. The corporate authorities of a non-home rule  
19 municipality may impose a tax upon all persons engaged, in such  
20 municipality, in the business of making sales of service for  
21 expenditure on public infrastructure or for property tax relief  
22 or both as defined in Section 8-11-1.2 if approved by  
23 referendum as provided in Section 8-11-1.1, of the selling  
24 price of all tangible personal property transferred by such  
25 servicemen either in the form of tangible personal property or

1 in the form of real estate as an incident to a sale of service.  
2 If the tax is approved by referendum on or after July 14, 2010  
3 (the effective date of Public Act 96-1057), the corporate  
4 authorities of a non-home rule municipality may, until December  
5 31, 2020 ~~December 31, 2015~~, use the proceeds of the tax for  
6 expenditure on municipal operations, in addition to or in lieu  
7 of any expenditure on public infrastructure or for property tax  
8 relief. The tax imposed may not be more than 1% and may be  
9 imposed only in 1/4% increments. The tax may not be imposed on  
10 the sale of food for human consumption that is to be consumed  
11 off the premises where it is sold (other than alcoholic  
12 beverages, soft drinks, and food that has been prepared for  
13 immediate consumption) and prescription and nonprescription  
14 medicines, drugs, medical appliances, and insulin, urine  
15 testing materials, syringes, and needles used by diabetics. The  
16 tax imposed by a municipality pursuant to this Section and all  
17 civil penalties that may be assessed as an incident thereof  
18 shall be collected and enforced by the State Department of  
19 Revenue. The certificate of registration which is issued by the  
20 Department to a retailer under the Retailers' Occupation Tax  
21 Act or under the Service Occupation Tax Act shall permit such  
22 registrant to engage in a business which is taxable under any  
23 ordinance or resolution enacted pursuant to this Section  
24 without registering separately with the Department under such  
25 ordinance or resolution or under this Section. The Department  
26 shall have full power to administer and enforce this Section;

1 to collect all taxes and penalties due hereunder; to dispose of  
2 taxes and penalties so collected in the manner hereinafter  
3 provided, and to determine all rights to credit memoranda  
4 arising on account of the erroneous payment of tax or penalty  
5 hereunder. In the administration of, and compliance with, this  
6 Section the Department and persons who are subject to this  
7 Section shall have the same rights, remedies, privileges,  
8 immunities, powers and duties, and be subject to the same  
9 conditions, restrictions, limitations, penalties and  
10 definitions of terms, and employ the same modes of procedure,  
11 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in  
12 respect to all provisions therein other than the State rate of  
13 tax), 4 (except that the reference to the State shall be to the  
14 taxing municipality), 5, 7, 8 (except that the jurisdiction to  
15 which the tax shall be a debt to the extent indicated in that  
16 Section 8 shall be the taxing municipality), 9 (except as to  
17 the disposition of taxes and penalties collected, and except  
18 that the returned merchandise credit for this municipal tax may  
19 not be taken against any State tax), 10, 11, 12 (except the  
20 reference therein to Section 2b of the Retailers' Occupation  
21 Tax Act), 13 (except that any reference to the State shall mean  
22 the taxing municipality), the first paragraph of Section 15,  
23 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and  
24 Section 3-7 of the Uniform Penalty and Interest Act, as fully  
25 as if those provisions were set forth herein.

26 No municipality may impose a tax under this Section unless

1 the municipality also imposes a tax at the same rate under  
2 Section 8-11-1.3 of this Code.

3 Persons subject to any tax imposed pursuant to the  
4 authority granted in this Section may reimburse themselves for  
5 their serviceman's tax liability hereunder by separately  
6 stating such tax as an additional charge, which charge may be  
7 stated in combination, in a single amount, with State tax which  
8 servicemen are authorized to collect under the Service Use Tax  
9 Act, pursuant to such bracket schedules as the Department may  
10 prescribe.

11 Whenever the Department determines that a refund should be  
12 made under this Section to a claimant instead of issuing credit  
13 memorandum, the Department shall notify the State Comptroller,  
14 who shall cause the order to be drawn for the amount specified,  
15 and to the person named, in such notification from the  
16 Department. Such refund shall be paid by the State Treasurer  
17 out of the municipal retailers' occupation tax fund.

18 The Department shall forthwith pay over to the State  
19 Treasurer, ex officio, as trustee, all taxes and penalties  
20 collected hereunder.

21 As soon as possible after the first day of each month,  
22 beginning January 1, 2011, upon certification of the Department  
23 of Revenue, the Comptroller shall order transferred, and the  
24 Treasurer shall transfer, to the STAR Bonds Revenue Fund the  
25 local sales tax increment, as defined in the Innovation  
26 Development and Economy Act, collected under this Section

1 during the second preceding calendar month for sales within a  
2 STAR bond district.

3 After the monthly transfer to the STAR Bonds Revenue Fund,  
4 on or before the 25th day of each calendar month, the  
5 Department shall prepare and certify to the Comptroller the  
6 disbursement of stated sums of money to named municipalities,  
7 the municipalities to be those from which suppliers and  
8 servicemen have paid taxes or penalties hereunder to the  
9 Department during the second preceding calendar month. The  
10 amount to be paid to each municipality shall be the amount (not  
11 including credit memoranda) collected hereunder during the  
12 second preceding calendar month by the Department, and not  
13 including an amount equal to the amount of refunds made during  
14 the second preceding calendar month by the Department on behalf  
15 of such municipality, and not including any amounts that are  
16 transferred to the STAR Bonds Revenue Fund. Within 10 days  
17 after receipt, by the Comptroller, of the disbursement  
18 certification to the municipalities and the General Revenue  
19 Fund, provided for in this Section to be given to the  
20 Comptroller by the Department, the Comptroller shall cause the  
21 orders to be drawn for the respective amounts in accordance  
22 with the directions contained in such certification.

23 The Department of Revenue shall implement this amendatory  
24 Act of the 91st General Assembly so as to collect the tax on  
25 and after January 1, 2002.

26 Nothing in this Section shall be construed to authorize a

1 municipality to impose a tax upon the privilege of engaging in  
2 any business which under the constitution of the United States  
3 may not be made the subject of taxation by this State.

4 As used in this Section, "municipal" or "municipality"  
5 means or refers to a city, village or incorporated town,  
6 including an incorporated town which has superseded a civil  
7 township.

8 This Section shall be known and may be cited as the  
9 "Non-Home Rule Municipal Service Occupation Tax Act".

10 (Source: P.A. 96-939, eff. 6-24-10; 96-1057, eff. 7-14-10;  
11 97-333, eff. 8-12-11.)

12 (65 ILCS 5/8-11-1.5) (from Ch. 24, par. 8-11-1.5)

13 Sec. 8-11-1.5. Non-Home Rule Municipal Use Tax Act. The  
14 corporate authorities of a non-home rule municipality may  
15 impose a tax upon the privilege of using, in such municipality,  
16 any item of tangible personal property which is purchased at  
17 retail from a retailer, and which is titled or registered with  
18 an agency of this State's government, based on the selling  
19 price of such tangible personal property, as "selling price" is  
20 defined in the Use Tax Act, for expenditure on public  
21 infrastructure or for property tax relief or both as defined in  
22 Section 8-11-1.2, if approved by referendum as provided in  
23 Section 8-11-1.1. If the tax is approved by referendum on or  
24 after the effective date of this amendatory Act of the 96th  
25 General Assembly, the corporate authorities of a non-home rule

1 municipality may, until December 31, 2020 ~~December 31, 2015~~,  
2 use the proceeds of the tax for expenditure on municipal  
3 operations, in addition to or in lieu of any expenditure on  
4 public infrastructure or for property tax relief. The tax  
5 imposed may not be more than 1% and may be imposed only in 1/4%  
6 increments. Such tax shall be collected from persons whose  
7 Illinois address for title or registration purposes is given as  
8 being in such municipality. Such tax shall be collected by the  
9 municipality imposing such tax. A non-home rule municipality  
10 may not impose and collect the tax prior to January 1, 2002.

11 This Section shall be known and may be cited as the  
12 "Non-Home Rule Municipal Use Tax Act".

13 (Source: P.A. 96-1057, eff. 7-14-10.)

14 Section 99. Effective date. This Act takes effect upon  
15 becoming law.